

# **Detroit New Center Intermodal Facility**

## **Industry Feedback Questionnaire**

Please provide responses to this Questionnaire by Friday, August 19, 2022. Responses to the Questionnaire can be delivered via email to Jim Schultz at MDOT ([schultzj3@michigan.gov](mailto:schultzj3@michigan.gov)).

Following the August 19<sup>th</sup> deadline, the MDOT Team plans to offer respondents the opportunity to schedule individual meetings. These meetings will tentatively be scheduled in early September and will focus on the questions herein and associated responses.

### **Respondent Information**

1. Please provide your firm name.
2. What is your primary business: developer, operator, construction contractor, designer, etc.?
3. Please provide your anticipated role on the project (lead proposer, major participant, team member).
4. Please provide a contact person and contact information (name/email/phone).
5. Would you like the opportunity for an individual follow up meeting?

### **Transaction Structure & Risks**

1. Which procurement scenario do you favor, and why?
2. What are the major risks for your favored procurement scenario?
3. Would you submit a proposal for your favored scenario?
4. What changes could be made to make your favored procurement scenario more commercially attractive?
5. How could MDOT reduce the costs of procurement for proposers while maintaining a high level of engagement and competition?
6. Have you been able to find appropriate teaming partners to deliver the project scope?
7. What are your recommendations on minority and Detroit-based business participation?

### **Procurement Scenario One – Design-Build-Operate-Maintain (DBOM)**

1. Is the scale of the project sufficient to make a DBOM procurement commercially attractive?
2. Is the proposed 25-year term of the DBOM contract reasonable? What alternative term would you recommend?
3. What is the optimal DBOM contract term to deliver the project for the lowest cost to MDOT? What is the preferred DBOM contract term for the development team?
4. Do you see commercial, residential, or other development activities being viable at this site? If so, what would you anticipate?
5. MDOT intends to maximize the Transit-Oriented Development (TOD) opportunity on the site. To that end, what deadline would you recommend for the DBOM team to exercise its exclusive rights to the development parcels?
  - a. 2-3 years
  - b. 3-5 years
  - c. 6-10 years

6. Do you have a preference between land purchase and long-term ground lease for the development parcels? Why?
7. Is the presence of retail concessions important to the likely commercial viability of the project?
8. Do you think the opportunity to operate both the Transit Facility and the Transit-Oriented Development would create an economy of scale, making the operation of the Transit Facility more efficient and less costly than if it were a stand-alone facility?
9. In a DBOM contract, what would be your preferred management structure for the routine maintenance of the Transit Facility?
10. How can the asset usable life and whole life cost of the Transit Facility be efficiently managed through the DBOM contract?
11. What are appropriate design and construction durations?
12. Which public agency, that you may have experience with, has executed this type of project (similar scope and/or delivery model) best? Why?

### **Procurement Scenario Two – DBoM**

1. The proposed term of the DBoM is 10 years, with three options to extend the term, each of five years. Are these timescales reasonable? Could the structure be improved? How?
2. The proposed fee structure for work as an agent of MDOT is documented eligible time and materials, with a bonus payment available for completed development and other milestones. What level of overhead would be justified for the time and material work?
3. Are there other incentives that would be appropriate for the management of the retail concessions and the operation of the Transit Facility?
4. How can the useful life and capital maintenance of the Transit Facility be best assured given the ten-year initial term and options to extend?

### **Procurement Scenario Three – DB**

1. Do you anticipate any issues in providing a 5-year warranty for the construction of the Transit Facility? How would you price this premium?

### **Project Development**

1. What is your assessment of the current commercial development market in Detroit, and more specifically of the New Center?
2. What would be your recommended timing for the procurement, given the current inflationary pressures on building and labor costs?
3. Please rank the attractiveness of the following parcels for potential Transit-Oriented Development:
  - a) Parking deck at Baltimore Avenue and Cass Avenue
  - b) Existing Howard Street – Detroit bus station
  - c) Parcel south of the rail tracks
  - d) Parcel between the rail tracks
4. How could phased development of a parking deck be best delivered?
5. Are their changes to the current zoning of the project parcels that you consider desirable?